

Message Text

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64

ACTION ARA-20

INFO OCT-01 ISO-00 AGR-20 SWF-02 SSO-00 NSCE-00 USIE-00

INRE-00 FEA-02 AEC-11 AID-20 CEA-02 CIAE-00 CIEP-03

COME-00 DODE-00 EB-11 FPC-01 H-03 INR-11 INT-08 L-03

NSAE-00 NSC-07 OMB-01 PM-07 RSC-01 SAM-01 SCI-06

SP-03 SS-20 STR-08 TRSE-00 FRB-03 PA-04 PRS-01 DRC-01

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O R 292325Z SEP 74

FM AMEMBASSY QUITO

TO SECSTATE WASHDC IMMEDIATE 2645

INFO AMCONSUL GUAYAQUIL

C O N F I D E N T I A L QUITO 6428

E.O. 11652: GDS

TAGS: ENRG, PFOR, EC, US

SUBJECT: PRESIDENT RODRIGUEZ COMMENTS ON PRESIDENT FORD'S PETROLEUM
STATEMENTS

REF: A) QUITO 6427 B) QUITO 6313 C) QUITO 6404

1. PRESIDENT RODRIGUEZ LARA CHOSE THE ANNUAL CELEBRATION
OF THE FOUNDATION OF THE CITY OF IBARRA AND THE HOLDING
OF A "FRONTIER INTEGRATION FAIR" ON THE COLOMBIAN BORDER
TO ADDRESS HIMSELF SPECIFICALLY AND IN DETAIL TO PRESIDENT
FORD'S RECENT REMARKS ABOUT PETROLEUM PRICES AND
ENERGY POLICY (REF A). RODRIGUEZ' REMARKS CAME AT THE
CONCLUSION OF HIS SPEECH. THEY WERE CARRIED ON THE
GOVERNMENT RADIO NET WORK AND PROMINENTLY REPORTED
SEPTEMBER 29 IN QUITO AND GUAYAQUIL LEADING PAPERS.

2. I AM STRUCK BY THE MODERATE TONE OF RODRIGUEZ'
COMMENTS, ESPECIALLY IN VIEW OF THE MUCH STRONGER
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DECLARATIONS THIS PAST WEEK MADE ADMITTEDLY WITHOUT

BENEFIT OF HAVING READ THE FULL TEXTS OF PRESIDENT FORD'S SPEECHES BY FOREIGN MINISTER LUCIO PAREDES AND MINISTER OF NATURAL RESOURCES JARRIN REPORTED IN REF B AND RODRIGUEZ OWN ENDORSEMENT THEREOF REPORTED IN REF C. I HAD EXPECTED A SIMILAR AND PERHAPS EQUALLY INTRANSIGENT REPLY FROM RODRIGUEZ.

3. TO BE SURE, PRESIDENT RODRIGUEZ DID TOUCH ALL THE FAMILIAR FAVORITE NATIONALISTIC THEMES: SOVEREIGNTY, DEFENSE OF NATURAL RESOURCES, SELF-DETERMINATION AND FREEDOM FROM ECONOMIC COERCION. WHILE HE MENTIONED WHAT HE TERMED THE "REASONABLE INCREASE IN THE WORLDWIDE PRICE OF PETROLEUM", HE AT LEAST ACKNOWLEDGED THAT IT HAD "APPARENTLY SHARPENED" THE INFLATIONARY CRISIS. BUT HE TOUCHED THESE BASES ONLY VERY QUICKLY, AND HIS WORDS WERE NOTABLY MUTED. IT SEEMS TO ME THAT HE MADE A CONSCIENTIOUS EFFORT TO PUT PRESIDENT FORD'S REMARKS IN PERSPECTIVE, TO DAMPEN THE WILD SPECULATION WHICH HAS BEEN A FEATURE OF THE MEDIA "REPORTING" ON THOSE SPEECHES, AND TO GIVE BOTH THE U.S. AND PRESIDENT FORD THE BENEFIT OF THE DOUBT. THE FLATTERING REFERENCES TO SUCH THINGS AS THE LIBERAL TRADITIONS OF THE "PEOPLE OF GEORGE WASHINGTON" AND THE "CENTURIES OF LABOR" OF WHAT HE TERMED "THE ANGLO-AMERICAN COMMUNITY" ARE UNPRECEDENTED. MAJOR QUITO AND GUAYAQUIL PAPERS, IN REPORTING RODRIGUEZ' REMARKS IN THEIR EDITIONS OF SEPTEMBER 29, SIMILARLY PUT EMPHASIS ON THE CONCILIATORY POINTS INSTEAD OF THE NATIONALISTIC THEMES: INDEED, ONE ALMOST COULD SUSPECT THAT THEY MAY HAVE BEEN TOLD HOW TO PLAY THE SPEECH.

4. WE HAVE ALWAYS CONSIDERED THAT PRESIDENT RODRIQUEZ, WITHIN THE CONTEXT OF HIS OWN STRONG PATRIOTISM, IS AN ADMIRER OF THE U.S. AND THAT HE PUTS VALUE ON AMICABLE RELATIONS BETWEEN ECUADOR AND THE U.S. THIS WOULD HAVE BEEN A SIGNIFICANT FACTOR IN HIS EFFORT TO DAMPEN SENSATIONALIST INTERPRETATIONS WHICH HAVE BEEN GIVEN TO PRESIDENT FORD'S REMARKS BY THE MEDIA HERE. AND HE MAY ALSO HAVE BEEN MOTIVATED IN PART BY A DESIRE TO

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PUT THE LID ON HIS OUTSPOKEN, FLAG-WAVING MINISTER OF NATURAL RESOURCES, WHOM WE KNOW HE WANTS TO REPLACE.

5. BUT WHATEVER RODRIGUEZ' MOTIVES, I THINK WE SHOULD NOT LET HIS CONSTRUCTIVE STATEMENT GO OFFICIALLY UNREMARKED OR UNNOTICED BY US. SUCH RELATIVELY REASONED WORDS AND CALM PERSPECTIVE HAVE BEEN IN SHORT SUPPLY IN RECENT TIMES, AT LEAST ON THIS SUBJECT

IN THIS COUNTRY, AND PERHAPS ELSEWHERE. IT WOULD COST US LITTLE IF ANYTHING TO TAKE NOTE OF HIS REMARKS; THERE ARE NO KNOWN RISKS INVOLVED HERE IN DOING SO APPROPRIATELY; AND THE EFFECT WOULD BE FAVORABLE TO OUR INTERESTS AND PURPOSES HERE. SOME KIND OF OFFICIAL ACKNOWLEDGEMENT OF PRESIDENT RODRIGUEZ' COMMENTS COULD IMPACT BENEFICIALLY AT A TIME WHEN THE MAJOR U.S. INVESTOR HERE, TEXACO-GULF, IS EXPERIENCING PROBLEMS IN ITS NEW ASSOCIATION RELATIONSHIP WITH THE ECUADOREAN STATE PETROLEUM COMPANY, CEPE, AND WE ARE TRYING TO DEAL WITH THE QUESTION OF COMPENSATION TO THE ADA GAS EXPLORATION CONSORTIUM. FINALLY, THE FOREIGN MINISTERS' MEETING ON CUBA WILL TAKE PLACE HERE IN SOMETHING OVER A MONTH'S TIME. IT COULD WELL BE WORTH THE EFFORT TO PAY SOME SLIGHT SPECIAL ATTENTION NOW TO THE PRESIDENT WHOSE FOREIGN MINISTER WILL PRESUMABLY PRESIDE OVER THOSE SESSIONS AND THUS PLAY SOME PART IN ATTEMPTING TO KEEP THE DELEGATES TO THE SUBJECT AT HAND INSTEAD OF DIGRESSING INTO DISCUSSIONS OF OTHER TOPICS AND OTHER "INTERVENTIONS".

6. MY SPECIFIC RECOMMENDATION FOR OFFICIALLY ACKNOWLEDGING PRESIDENT RODRIGUEZ LARA'S COMMENTS WILL FOLLOW BY SEPT/ SEPTEMBER 30.
BREWSTER

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